



# Spencer County Bank

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FDIC San Francisco Regional Office  
Director Johns F. Carter  
25 Jessie Street at Ecker Square  
Suite 2300  
San Francisco, CA 94105

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Dear Mr. Carter

I am writing to you to voice my opposition to approval of Wal-Mart's application for deposit insurance for it's pending Utah based ILC.

Clearly a Wal-Mart bank would be in violation of the principal of separation of banking and commerce. This principal is deeply rooted in our country's legislative history, most recently in the Gramm-Leach-Bliley Act.

We all know this would be just the beginning for 'Wal-Mart National Bank'. Wal-Mart has long expressed its desire to enter into the financial arena and will not be satisfied with this ILC.

Wal-Mart has a long history of putting small businesses out of business. Wal-Mart has the resources to target and drive community banks out of business as well. Most banks in the state banking systems are increasingly smaller community banks. If these banks are to disappear so too could our dual banking system. Community banks are the backbone of small business development in our communities. Doing away with community banks and small businesses would be great for Wal-Mart and Wal-Mart National Bank but would devastate local communities.

Would a Wal-Mart bank make sound credit decisions or would they make decisions that would benefit it's giant parent company? Would they make decisions that favor Wal-Mart suppliers, or even force suppliers to bank with them? Would Wal-Mart charge consumers a lower price or different transaction fee based on whether they were a bank customer or not? These are troubling questions that need clear answers before allowing Wal-Mart in the banking business.



We've already seen what they can do even to giants like Visa and Mastercard. To think that they wouldn't destabilize the financial industry is naïve at best.

Sincerely

Steve D. Kendall  
Executive Vice President  
Spencer County Bank